

RESOLUTION NO. 80-54

BLUE RIDGE SEWER IMPROVEMENT DISTRICT  
ASSESSMENT AREA 1C1

RESOLUTION AMENDING A RESOLUTION ENTITLED:

RESOLUTION AUTHORIZING AND PROVIDING FOR THE  
ISSUANCE AND SALE OF BONDS TO BE DESIGNATED BLUE  
RIDGE SEWER IMPROVEMENT DISTRICT, ASSESSMENT AREA  
1C1, PERMANENT BONDS IN THE PRINCIPAL AMOUNT OF  
NOT TO EXCEED \$180,000.00, AND PROVIDING FOR THE  
PAYMENT OF THE PERMANENT BONDS.

WHEREAS, the Board of Directors (the "Board") of  
Blue Ridge Sewer Improvement District (the "District"), a  
special improvement district duly organized and existing  
under the laws of the State of Arizona, have heretofore  
authorized the issuance and sale of up to \$180,000 principal  
amount of bonds of the District; and

WHEREAS, it is necessary and desirable to amend  
the terms of the resolution authorizing the issuance and  
sale of such bonds,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
DIRECTORS OF THE BLUE RIDGE SEWER IMPROVEMENT DISTRICT,  
NAVAJO COUNTY, ARIZONA:

Section 1. That the body and caption of the resolution  
heretofore adopted by this Board on the 25th day of March,  
1980, entitled:

"RESOLUTION AUTHORIZING AND PROVIDING FOR THE  
ISSUANCE AND SALE OF BONDS TO BE DESIGNATED BLUE  
RIDGE SEWER IMPROVEMENT DISTRICT, ASSESSMENT AREA  
1C1, PERMANENT BONDS IN THE PRINCIPAL AMOUNT OF  
NOT TO EXCEED \$180,000.00, AND PROVIDING FOR THE  
PAYMENT OF THE PERMANENT BONDS."

be and the same hereby is amended in whole to read as  
follows:

RESOLUTION AUTHORIZING AND DIRECTING ISSUANCE  
AND SALE OF \$180,000 PRINCIPAL AMOUNT OF BLUE  
RIDGE SEWER IMPROVEMENT DISTRICT, ASSESSMENT  
AREA 1C1, BONDS OF 1980, DETERMINING THE DETAILS  
THEREOF, AND DETERMINING AND PROVIDING FOR THE  
RIGHTS OF THE HOLDERS THEREOF.

WHEREAS, the Blue Ridge Sewer Improvement District (the "District") is a duly organized and existing improvement district under the laws of the State of Arizona established pursuant to order of the Board of Supervisors of Navajo County, Arizona on October 24, 1978;

WHEREAS, the Board of Directors of the District have heretofore adopted a Resolution of Intention to order certain improvements more particularly described herein, which Resolution of Intention provides, among other things, for the issuance of bonds pursuant to Article 1.1 of Chapter 5 of Title 11 of the Arizona Revised Statutes;

WHEREAS, following the posting and publication of notice of adoption of the Resolution of Intention and publication of the Resolution of Intention, the Board of Directors adopted an order directing that the work be done;

WHEREAS, a diagram of Assessment Area 1C1 and assessment has been recorded, confirmed and a Treasurer's return filed evidencing payment of any assessment;

WHEREAS, the District has not previously issued bonds or other obligations payable from assessments with respect to property within Assessment Area 1C1; and

WHEREAS, the District now desires to issue and sell \$180,000 of its bonds to finance the cost of the improvement described in the Resolution of Intention and the order directing that the work be done.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BLUE RIDGE SEWER IMPROVEMENT DISTRICT, NAVAJO COUNTY, ARIZONA, THAT:

Section 1. For the purpose of paying the cost of the construction and acquisition of the improvements more particularly described in Section 7 hereof, there is hereby authorized the issuance and sale of \$180,000 principal amount of bonds of the District to be designated "Blue Ridge Sewer Improvement District, Assessment Area 1C1, Bonds of 1980" (the "Bonds"). The Bonds shall be dated as of their date of delivery, shall be in the denomination of \$5,000 each, shall be issued as coupon bonds and shall be numbered from 1 to 36, inclusive.

The Bonds shall bear interest at the rate of ten percent (10%) per annum represented by coupons designated "A" at the rate of nine percent (9%) per annum and additional coupons designated "B" at the rate of one percent

(1%) per annum, said interest to be payable January 1, 1981 and semi annually thereafter on July 1 and January 1 of each year. The Bonds shall mature serially in numerical order on July 1 of each of the years 1981 to 1990, inclusive, as follows:

<u>Year</u>	<u>Principal Amount</u>
1981	\$ 5,000
1982	15,000
1983	15,000
1984	15,000
1985	15,000
1986	20,000
1987	20,000
1988	25,000
1989	25,000
1990	25,000

The Bonds shall be payable at the office of the County Treasurer, Navajo County, Arizona.

Section 2. The Bonds shall not be subject to redemption prior to maturity except from prepayments of assessments levied for the purpose of paying the principal of and interest on the Bonds, in which case the Bonds shall be called for redemption in accordance with the provisions of Sections 11-761.04 and 11-761.05 of the Arizona Revised Statutes and other applicable laws in effect on this date of issuance of the Bonds.

Section 3. The Bonds shall be executed on behalf of the District by the Chairman of the Board of Directors and attested by the Clerk of the District and the seal of the District affixed thereto. The coupons attached to each Bond shall bear the facsimile signatures of the Chairman and the Clerk. In case any officer who shall have signed any Bond or coupon (whether manually or by facsimile) shall cease to be such officer prior to delivery of the Bonds, the Bonds may nonetheless be delivered as though the person or persons who signed such Bond or coupon had remained in office.

Section 4. The Bonds shall be in substantially the following form, with such necessary or appropriate variations, omissions and insertions as may be consistent with the terms of this Resolution and approved by the Chairman of the Board of Directors, execution of the Bonds being conclusive evidence of such approval:

(Bond Form)

UNITED STATES OF AMERICA

STATE OF ARIZONA

COUNTY OF NAVAJO

BLUE RIDGE SEWER IMPROVEMENT DISTRICT, ASSESSMENT AREA 1C1,  
BOND OF 1980

NO. \_\_\_\_\_

\$5,000.00

KNOW ALL MEN BY THESE PRESENTS, that the Blue Ridge Sewer Improvement District of Navajo County, Arizona, a duly organized Improvement District, promises to pay as hereinafter stated to the bearer hereof, on the 1st day of July, \_\_\_\_\_, the sum of Five Thousand Dollars (\$5,000.00) together with interest on said sum, as evidenced by interest coupons attached hereto and designated "A" at the rate of nine percent (9%) and additional interest coupons attached hereto and designated "B" at the rate of one percent (1%), payable semiannually on the first days of January and July of each year, upon the presentation and surrender of the interest coupons as they severally become due. Both principal and interest are payable at the Office of the County Treasurer, Navajo County, Holbrook, Arizona. This Bond is issued pursuant to the laws of the State of Arizona, and is one of a series of thirty-six (36) Bonds of like tenor and date in the total principal amount of One Hundred Eighty Thousand Dollars (\$180,000.00) issued for that certain improvement in said District consisting of installation of collector sewers, laterals and appurtenant devices, initiated by Resolution of the Blue Ridge Sewer Improvement District, and is payable only out of the special fund to be collected from special assessments imposed on the lots, or parcels of land benefited by said improvement. Said special fund is set apart by law for the payment of said Bonds, and can be used for no other purpose. It is hereby certified and declared that the improvement for which this series of Bonds is issued is authorized by law, that all the acts, conditions and things required to be done, precedent to and in the issuing of this series of bonds, have been done and performed in regular and due form as required by the laws of the State of Arizona, and all ordinances and resolutions of said District, that the special assessments out of which said Bonds are to be paid are first liens on the property assessed, subject only to the lien for general taxes and prior special assessments, and any bona

fide purchaser for value of this Bond has the right to rely on the recitals herein contained. For the assessment or reassessment, collection and payment of said special assessments, the full faith and diligence of said District is hereby irrevocably pledged.

IN WITNESS WHEREOF, Blue Ridge Sewer Improvement District, Navajo County, Arizona, has caused this Bond to be executed in its name by the Chairman of its Board of Directors and countersigned by the Clerk of the District, and the corporate seal of the District to be impressed hereon, and this Bond to be dated \_\_\_\_\_, 1980.

BLUE RIDGE SEWER IMPROVEMENT  
DISTRICT

\_\_\_\_\_  
Chairman, Board of Directors

Countersigned:

\_\_\_\_\_  
Clerk

(SEAL)

No. \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of \_\_\_\_\_, \_\_\_\_\_, BLUE RIDGE SEWER IMPROVEMENT DISTRICT (unless prior to the due date of this coupon, the bond to which this coupon appertains shall have been duly called for prior redemption), will pay to bearer, subject to the provisions of the resolution authorizing the issuance of the bonds described below and upon presentation and surrender of this coupon at the office of the County Treasurer of Navajo County, Holbrook, Arizona, the amount shown hereon, as provided in, and being semiannual interest then due on, its Assessment Area 1C1, Bond of 1980 numbered \_\_\_\_\_.

BLUE RIDGE SEWER IMPROVEMENT  
DISTRICT

Countersigned

\_\_\_\_\_  
Clerk

By \_\_\_\_\_  
Chairman

Section 5. Until the definitive Bonds are prepared, the Chairman and Clerk of the Board may execute, in the same manner as is provided in Section 3, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive coupon Bonds except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive coupon Bonds in lieu of which such temporary Bond or Bonds are issued, but with or without coupons, in denominations of \$5,000 or any integral multiple thereof authorized by the District, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds in bearer form shall be payable only upon the presentation and surrender of the coupons therefor attached thereto, if any, or upon presentation of such temporary Bonds for notation thereon, of the payment of such interest. The District shall prepare and execute and, upon the surrender of such temporary Bonds, with all unmatured coupons, and all matured coupons for which no payment or only partial payment has been provided, attached, for exchange and the cancellation of such surrendered temporary Bonds and coupons, without charge to the holder thereof, deliver in exchange therefor, definitive coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution.

Section 6. For the purposes of providing for the payment of the principal of and interest on the Bonds, as and when the same shall become due and payable, the Board of Directors of the District shall levy and collect annual assessment installments to be paid by the owners of properties within Assessment Area 1C1, all as shown on the confirmed assessment. All proceeds of such levies shall be placed in a fund to be created by the County Treasurer to be known as the "Blue Ridge Sewer Improvement District, Assessment Area 1C1, Special Bond Fund" established pursuant to Section 11-732, Arizona Revised Statutes, and applied to the payment of the principal of and interest on the Bonds, as and when the same shall become due and payable. The Bonds shall not constitute a general obligation or indebtedness of Navajo County but shall be payable solely from the proceeds of said assessment installments as provided herein.

Section 7. The sale of the Bonds to Young, Smith & Peacock, Inc. at a purchase price of \$ 172,800.00 in accordance with their letter of commitment dated May 24 is hereby approved and the Chairman and the Clerk are



hereby authorized to indicate such approval by execution of the letter of commitment dated May 24, 1980 submitted to the Board and the Treasurer is hereby authorized to deliver the Bonds to Young, Smith & Peacock, Inc. upon receipt of payment of the purchase price thereof. The Chairman and Clerk shall provide that the proceeds from the sale of the Bonds be deposited with the County Treasurer and held for the credit of the District. The proceeds from the sale of the Bonds shall be applied to the payment of the cost of constructing the collection sewer system within the Assessment Area in accordance with the approved plans, specifications and bid documents prepared by Lowry & Associates, Civil Engineers, and to pay costs incurred in connection with the issuance of the Bonds.

Section 8. In case any Bond shall become mutilated or be destroyed, stolen or lost, the District may, in its discretion, issue and deliver a new Bond with all unmatured coupons attached of like tenor as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and attached coupons, if any, destroyed, stolen or lost, and upon the holder furnishing the District proof of his ownership thereof and satisfactory indemnity (but in no event shall such indemnity be in an amount less than the principal amount of such destroyed, lost or stolen Bond and the interest due and to become due on such Bond to maturity) and complying with such other reasonable regulations and conditions as the District may require. All Bonds and coupons so surrendered shall be cancelled by the Treasurer and held for the account of the District. If any such Bond or coupon shall have matured or be about to mature, instead of issuing a substituted Bond or coupon, the District may pay the same upon being indemnified as aforesaid, and if such Bond or coupon be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds and coupons issued pursuant to this Section shall constitute additional contractual obligations on the part of the District whether or not the lost, stolen or destroyed Bonds or coupons be at any time found by anyone, and such duplicate Bonds and coupons shall be entitled to equal and proportionate benefits and rights as to lien on and security for payment from said special assessments with all other Bonds and coupons issued hereunder.

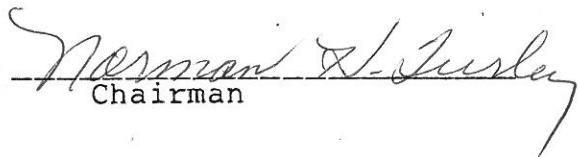
Section 9. This Resolution constitutes a contract with the holders of the Bonds. Subsequent to delivery of

any of the Bonds authorized herein, no material modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto, may be made without consent in writing of the holders of two-thirds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a modification in the rate of interest thereon, or in the amount of the principal obligation thereof, or affecting the unconditional promise of the District to pay the principal of and interest on said Bonds as they shall become due from the moneys in the Special Bond Fund, or reduce the percentage of Bondholders required to consent to any material modification or amendment of this Resolution, without the consent of all of the holders of such Bonds.

Section 10. If then permitted by law, the District may issue obligations for the purpose of refunding the Bonds or for any other lawful purpose payable from the assessments deposited in the Special Bond Fund to be created pursuant to Section 6 hereof, provided that prior to or simultaneously with the issuance of such obligations there shall have been irrevocably deposited with the County Treasurer or a bank or trust company and pledged to the payment of the Bonds, cash in an amount sufficient or direct obligations of, or obligations fully guaranteed by, the United States of America, the principal of and interest on which will be sufficient to pay the principal of and interest on the Bonds as and when the same shall become due and payable.

Section 2. This Amendatory Resolution shall take effect immediately.

Adopted this 27th day of May, 1980.

  
Chairman

Attest:   
Clerk



# YOUNG, SMITH & PEACOCK, INC.

MEMBER NEW YORK STOCK EXCHANGE AND OTHER PRINCIPAL EXCHANGES

(602) 264-9241 • FINANCIAL CENTER • 3443 NORTH CENTRAL AVENUE • PHOENIX, ARIZONA 85012

May 24, 1980

The Honorable Board of Supervisors  
of Navajo County, Arizona  
Navajo County Government Complex  
Holbrook, Arizona 86025

Re: Purchase Commitment for \$180,000 Blue Ridge Sewer Improvement  
District Bonds of Navajo County, Arizona

Gentlemen:

This letter serves as our commitment to purchase the above described bonds under the following terms:

The maturity of said bonds shall be as follows:

<u>Maturity Date</u>	<u>Amount</u>
7-1-81	\$ 5,000
7-1-82	15,000
7-1-83	15,000
7-1-84	15,000
7-1-85	15,000
7-1-86	20,000
7-1-87	20,000
7-1-88	25,000
7-1-89	25,000
7-1-90	25,000

The bonds shall be dated as of the date of their issuance and shall bear interest at the rate of 10% per annum payable on January 1, 1981, and thereafter on July 1 and January 1 until the maturity of said bonds; interest to be represented by a coupon at the rate of 9% per annum and a supplemental or "B" coupon at the rate of 1% per annum.

Bonds of this issue will be callable for redemption prior to maturity on any interest payment date at par plus a premium of 5%. It is also understood that the District or its agent will be responsible for preparing an "Offering Memorandum" to be filed with the Securities Division of the Arizona Corporation Commission to obtain the necessary offering clearance for the resale of these bonds. Should such clearance not be obtained, this offer shall be deemed void. This offer is also subject

The Honorable Board of Supervisors  
of Navajo County, Arizona  
May 24, 1980

Page two

to the unqualified approving legal opinion of O'Connor, Cavanagh,  
Anderson, Westover and Beshears of Phoenix, Arizona.

For the purchase of the above described bonds, Young, Smith &  
Peacock, Inc. offers a dollar price of 96% of the par amount of  
bonds issued. Please indicate your acceptance of this offer by  
signing in the appropriate spaces below and returning a copy to  
us.

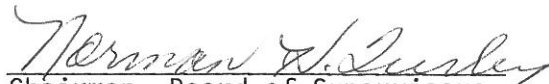
Very truly yours,

YOUNG, SMITH & PEACOCK, INC.

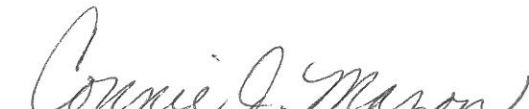


Michael M. Peacock  
Senior Vice President

ACCEPTED:

  
Chairman, Board of Supervisors  
Navajo County, Arizona

ATTESTED:

  
Clerk, Board of Supervisors  
Navajo County, Arizona